

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the members that Annual General Meeting of Matco Foods Limited will be held on Saturday, October 24, 2020 at 11:00 am at Registered Office of the Company at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi through Video Conference to transact the following business:

A. Ordinary Business:

1. To read and confirm the minutes of the previous annual general meeting held on October 24, 2019.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company together with the Directors' and Auditors' reports thereon for the year ended June 30, 2020 along with the Audited Consolidated Financial Statements of the company and Auditor's report thereon for the year ended June 30, 2020.
3. To approve the payment of final cash dividend @ Rs. 0.45 per share i.e. 4.5% for the year ended June 30, 2020 as recommended by the Board of Directors.
4. To appoint Auditors of the Company for the year ending June 30, 2020 at a mutually agreed rate of remuneration. The Board of Directors on the recommendation of the Audit Committee has proposed appointment of M/s Grant Thornton Anjum Rehman Chartered Accountants. The retiring Auditors being eligible offer themselves for re-appointment.

B. Special Business

5. To consider and if deemed fit, pass the following Special Resolutions with or without modification(s):

Investment in Associated Companies & Associated Undertakings:

“RESOLVED THAT the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and “Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012” to further invest up to PKR 50,000,000 (Rupees Fifty Million) in Barentz Pakistan (Private) Limited (“BPPL”), an associated company in order to meet its working capital requirements / operational expenses subject to the terms and conditions mentioned in the Annexed Statement under Section 134(3).”

“FURTHER RESOLVED THAT for the purpose of giving effect to the above investment, the Company's Chief Executive Mr. Khalid Sarfaraz Ghori or Company's Director Mr. Faizan Ali Ghori or Company Secretary Mr. Danish Ahmed be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities including filing of applications for no objection certificate/permission from any authority / Commission as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolution.”

C. Any Other Business

6. To transact any other business with the permission of the Chairman.

Statements as required under section 134(3) of the Companies Act, 2017 in respect of the special business is annexed to the notice of meeting circulated to the members of the Company.

Karachi
October 02, 2020

By order of the Board
Danish Ahmed
Company Secretary

NOTES:

1) CLOSURE OF SHARE TRANSFER BOOK

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 19, 2020 to October 26, 2020 (both days inclusive). Transfers received in order at the Company's Registrar Office at CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S. Main Shakra-e-Faisal, Karachi - 74400, by the close of business on October 16, 2020 will be treated in time for the purpose of payment of the final cash dividend, if approved by the shareholders.

2) PARTICIPATION IN THE ANNUAL GENERAL MEETING

(a) In light of the COVID-19 situation, the Securities and Exchange Commission of Pakistan ("SECP"), in terms of its Circular No.5 dated March 17, 2020 and Circular No. 25 dated August 31, 2020, has advised companies to modify their usual planning for general meetings for the safety and wellbeing of shareholders and the public at large with minimal physical interaction. Hence, the proceedings of the meeting will be carried out through video-link facility. In this regard, special arrangements have been made for the AGM which are as under:

- (i) AGM will be held through Zoom application - a video link facility.
- (ii) Shareholders interested in attending the AGM through Zoom application will be requested to get themselves registered with Share Registrars of the Company M/s. CDC Share Registrar Services Limited at least 48 hours before the time of AGM at cdcsr@cdcsrsl.com by providing the following details:

CDC Participant ID / Folio No.	Company	Name of Shareholder	CNIC No. / NTN No.	Cell No.	Email address
	Matco Foods Limited				

Video-link for the meeting will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.

Login facility will be opened sixty (60) minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and

participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

- (iii) Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary Office at least two (2) working days before the AGM, at the given email address cdcsr@cdcsrsl.com or WhatsApp on 0321-8200864. Shareholders are requested to mention their full name, CNIC # and Folio/CDC Account # for this purpose.
- (iv) Shareholders are encouraged to participate in the AGM to consolidate their attendance and participation through proxies.
- (b) A member entitled to attend the meeting may appoint any other member as his/her proxy to attend the meeting through video-link. A proxy form is enclosed.
- (c) The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of power of attorney must be deposited at the Share Registrar of the Company M/s. CDC Share Registrar Services Limited at least 48 hours before the time of the AGM (i.e. latest by Thursday, October 22, 2020 at 11:00 a.m.).
- (d) For appointing proxies, the shareholders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:
 - (i) In case of individuals having physical shareholding or the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form accordingly.
 - (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
 - (iii) Notarized copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - (iv) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3) CNIC/NTN NUMBER ON DIVIDEND WARRANT (MANDATORY)

As it has already been notified from time to time, SECP has directed vide its Notification S.R.O. 831(1)/2012 dated July 5, 2012 that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

In order to comply with the SECP's directives and in terms of Section 243(2)(a) of the Companies Act, 2017, the Company shall be constrained to withhold the Dividend Warrant(s), in case of non-availability of a copy of valid CNIC (for individuals) and National Tax Number (for corporate entities).

Accordingly, shareholders who have not yet submitted a copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Company or Share Registrar, CDC Share Registrar Services Limited.

4) TRANSMISSION OF ANNUAL AUDITED ACCOUNTS THROUGH EMAIL

The Securities and Exchange Commission of Pakistan through its notification SRO787(1)/2014 dated 8th September 2014 has permitted / allowed companies to circulate Annual Financial Statements along with the Notice of Annual General Meeting to its members through email. Accordingly, members are requested to send written request to the company’s registered office at mentioned above along with your valid email address to provide you the financial statements at your valid email address. In case you don’t wish to avail this facility, the financial statements will be sent to you at your registered address as per normal practice.

5) DEDUCTION OF WITHHOLDING INCOME TAX FROM DIVIDEND UNDER SECTION 150 THE INCOME TAX ORDINANCE, 2001 (MANDATORY)

i) The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment, if any, effective July 1, 2019 are as follows:

1.	Rate of tax deduction for persons appearing in Active Taxpayer List (ATL)	15%
2.	Rate of tax deduction for persons not appearing in Active Taxpayer List (ATL)	30%

Shareholders who are filers are advised to make sure that their names are entered into latest Active Tax Payer List (ATL) provided on the website of FBR at the time of dividend payment otherwise they shall be treated as non-filers and tax on their dividend will be deducted at the rate of 30% instead of 15%.

The Federal Board of Revenue has clarified that withholding tax will be determined separately on filer and non-filer status of principal shareholder as well as joint holder (s) based on their shareholding of each joint holder as may be notified by the shareholder , in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDC Account No.	Total Shares	Principal Shareholder		Joint Holder	
			Name & CNIC No.	Shareholding Proportion No. of Shares	Name & CNIC No.	Shareholding Proportion No. of Shares

The above required information must be reached to the Company’s Registrar Office at above mentioned address within ten (10) days of this notice otherwise it will be construed that the shares are equally held by principal shareholder and joint holder(s).

The shareholders who holds shares jointly are requested to provide shareholding proportions of the principal shareholder and joint holder (s) in respect of shares held by them (only if not provided) to our registrar in writing.

- ii) As per FBR circulars no. 1(29)WHT/2006 dated June 30, 2010 and No.1(43)DG(WHT)/2008-Volume-ii 66417R dated May 12, 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax u/s 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of part iv of second schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption u/s 150 of the ordinance must provide valid tax exemption certificate to the company at its registered address mentioned above before book closer positively otherwise tax will be deducted on dividend as per applicable rules.
- iii) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

6) PAYMENT OF CASH DIVIDEND ELECTRONICALLY

In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder only through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement, you are requested to please provide the following information to your respective CDC Participant / CDC Investor Account Services:

	Details of Shareholder
Name of shareholder	
Folio/ CDS Account No.	
CNIC No.	
Cell number of shareholder	
Number of Shares	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank Name	
Branch Name and its code and address	

Please note that as per Section 243(3) of the Companies Act, 2017, listed companies are entitled to withhold payment of dividend, if necessary information is not provided by shareholders.

7) PLACEMENT OF FINANCIAL ACCOUNTS ON WEBSITE

Pursuant to the notification of the SECP (SRO 634(I)/2014) dated July 10, 2014, the financial statements of the Company have been placed on the Company’s website at www.matcofoods.com.

8) CHANGE OF ADDRESS (IF ANY)

The shareholders are requested to notify the Company at its registered office at aforesaid address if there is any change in their addresses and update zakat status with their participants immediately.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

INVESTMENTS IN ASSOCIATED COMPANIES & ASSOCIATED UNDERTAKINGS

The Board of Directors of the Company has approved the specific limits of investments in the form of loans / advances in the following associated companies and associated undertakings subject to the consent of members under Section 199 of the Companies Act, 2017 / Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017. The Board of Directors do hereby undertake / certify that necessary due diligence for the following proposed investments have been carried out.

(a) Disclosure for all types of Investments:																										
(A) Disclosure regarding associated company																										
(i)	Name of the associated company or associated undertaking	Barentz Pakistan (Private) Limited (“BPPL”)																								
(ii)	Basis of Relationship	Matco Foods Limited owns 49% shareholding in the Barentz Pakistan (Private) Limited																								
(iii)	Earnings / (Loss) per share for the last three Years	2020: (0.24)* 2019: (2.14) 2018: N/A 2017: N/A																								
(iv)	Break-up value per share, based on last audited financial statements	2020: PKR 7.61* 2019: PKR 7.86																								
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table border="1"> <thead> <tr> <th></th> <th>2020*</th> <th>2019</th> </tr> <tr> <th colspan="3">Rs. in Million</th> </tr> </thead> <tbody> <tr> <td>Total Equity</td> <td>38.06</td> <td>39.28</td> </tr> <tr> <td>Total assets</td> <td>63.59</td> <td>45.67</td> </tr> <tr> <td>Total liability</td> <td>25.53</td> <td>6.39</td> </tr> <tr> <td>Gross profit</td> <td>10.70</td> <td>0.45</td> </tr> <tr> <td>(Loss) / Profit before tax</td> <td>2.25</td> <td>(10.65)</td> </tr> <tr> <td>(Loss) / Profit after tax</td> <td>(1.22)</td> <td>(10.72)</td> </tr> </tbody> </table>		2020*	2019	Rs. in Million			Total Equity	38.06	39.28	Total assets	63.59	45.67	Total liability	25.53	6.39	Gross profit	10.70	0.45	(Loss) / Profit before tax	2.25	(10.65)	(Loss) / Profit after tax	(1.22)	(10.72)
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(vi)	In case of Investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:																									
	I. Description of the project and its history since conceptualization	Not Applicable																								
	II. Starting date and expected date of completion of work	Not Applicable																								
	III. Time by which such project shall become commercially operational	Not Applicable																								
	IV. Expected time by which the project shall start paying return on investment	Not Applicable																								
	V. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing	Not Applicable																								

	between cash and non-cash amounts	
(B) General Disclosure		
(i)	Maximum amount of investment to be made	PKR 50,000,000/- (Rupees Fifty Million Only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>The investment amount will be utilized by the associated company to meet the working capital requirement of the Company as they have recently been awarded a distribution contract of Oily Blend Vitamin to Oil and Ghee Industry by multinational company which will surely increase the top and bottom line of the Company.</p> <p>Matco Foods Limited will be benefited ultimately through share of profit/dividend and interest income from the associated company.</p>
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-	The investment will be made from Company's own funds.
	I. Justification for investment through borrowings;	N/A
	II. Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and	N/A
	III. Cost benefit analysis	N/A
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Not Applicable
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Director of Investee Company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	Matco Foods Limited has made an investment in the shares of the associated company during the year 2019-20 by Rs. 24.5 Million, the Company has started its commercial operations during the year and started recognizing its sales. Losses have been occurred due to preliminary expenses and fixed expenses of staff, therefore, it is decided that no impairment requirement is needed to make as of today.
(vii)	Any other important details necessary for the members to understand the transaction	None
(b) Additional disclosure regarding Loans and Advances		
(i)	category-wise amount of investment	Previously, Matco Foods Limited has subscribed the 2,450,000 shares of the associated company at Par Value Rs. 10 each. Now, Shareholders' loan will be provided to the associated company up to Rs. 50 Million.
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate	Average borrowing cost of the investing Company ranges from 1 month KIBOR + 0.75% to 1.0%

	(KIBOR) for the relevant period, for the relevant period	and 3 month KIBOR + 0.55% to 1.5% in 2019 - 2020.
(iii)	rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	10% .
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment	Will be decided with mutual consent at the time of extending the loan.
(v)	if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	Not Applicable
(vi)	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	The above facility will be repayable on demand.

* The financial year of the associated company have been linked with the Parent Company which is December 31 ended. Therefore, the figures as of June 30, 2020 (six months ended) reviewed by the statutory auditors of the associated company have been presented here for the better understanding of the Shareholders.



MATCO FOODS LIMITED

The Company Secretary
Matco Foods Limited
B-1/A, S.I.T.E., Phase 1
Super Highway Industrial Area
Karachi

PROXY FORM

I/We _____ of _____ a member of MATCO FOODS LIMITED hereby appoint _____ of _____ or failing him/her _____ of _____ to act as my/our proxy and to vote for me/us and on my/our behalf at the Annual General Meeting of the Shareholders of the Company to be held on the 24th day of October 2020 and at any adjournment thereof.

Signed this _____ day of _____, 2020.

Folio No.	CDC Participant ID No.	CDC Account / Sub-Account No.	No. of shares held

**Please affix
Revenue
Stamp of Rs. 5/-**

Witness 1

Signature _____
Name _____
CNIC No. _____
Address _____

Witness 2

Signature _____
Name _____
CNIC No. _____
Address _____

Notes:

- The proxy must be a member of the company.
- The signature must tally with the specimen signature/s registered with the Company.
- If a proxy is granted by a member who has deposited his/her shares into Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant’s ID number and account/sub-account number alongwith attested photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
- The instrument of Proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.